

Pakistan's Urban Policy: Turning Cities Into Slums

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If you have lived in a middle-class neighborhood in a large city in Pakistan, you probably grew up deprived of what urban living offers elsewhere: quality education, entertainment, hope, and opportunities. What you know is chaos, congestion, religious zeal, violence, and a stifling sense of entrapment. No wonder millions of Pakistani youth have one goal: "Pakistan se zinda bhaag".

But this need not be the case. Cities in Pakistan could be transformed to become engines of economic growth. However, this would remain a dream as long as urban economic development stays on the back-burner of Pakistan's economic policymaking. For the nation's economic fortunes to turn, urban economic development has to be at the forefront of economic policymaking, which in the past has focused exclusively on agriculture and manufacturing, and more recently on remittances.

Pakistan's economists, too, have ignored the subject of urban economic growth. Hundreds, if not thousands, of academic papers have been generated that offer a tiny variation on the time-series models that focus on the macroeconomics of Pakistan's debt-ridden economy. That is why having one of the nation's preeminent economists, Dr Nadeem ul Haque, focus on urban economies is a rare but welcome event. In a recent PIDE working paper, Dr. Haque makes a strong case for developing cities to their potential to trigger economic growth. He identifies several shortcomings that have prevented urban economies from reaching their potential in Pakistan.

Understanding Pakistan's urban economy in its unique perspective

I would submit that similar shortcomings have been prevalent in North America and Europe, where hundreds of bustling metropolises developed and thrived. It is, therefore, important to understand the unique failures of policy and social order that have kept Pakistan's urban centres in a state of despair.

Urban research is scarce everywhere, not just in Pakistan

Dr Haque laments the paucity of urban research in Pakistan. But this is also true for North America. The celebrated economics departments in North American universities often boast little more than a token urban economist. Departments with two urban-focused academics claim to offer an 'urban' specialisation!



Compare research in macroeconomics, which is being produced with industrial efficiency, to research in urban economics, which is few and far between in the West. Alternatively, compare the number of books published with macroeconomics in their title to those highlighting urban economics on the cover page. Based on the sales volume, the bestselling urban economics title on Amazon.com is ranked 187,207. In comparison, the text on macroeconomics is ranked much higher at 1,431.

The dominance of small builders is a common trait too

Dr Haque highlights that unlike North America, where

large builders mass-produce housing, residential development is largely done by individual households or small-sized developers in Pakistan. While it is true that large builders and land developers are uncommon in Pakistan, the housebuilding industry in North America is also dominated by a large number of small builders.

Michael Buzzelli, who is currently a professor of Geography at the Western University, studied the structure of house-building firms in North America. Dr Buzzelli and I were contemporaries and focused on the supply side of housing equation for our doctoral dissertations. Dr Buzzelli's findings are quite revealing. His research showed that the house-building industry "continued to be the preserve of small firms, when over 85 per cent of all builders constructed no more than 25 units each." He further noted that roughly one-third of small builders constructed just one house a year.

The other not so commonly known fact about large home-builders in North America is that they are considered large not because of their size, but because of the number of housing units they produce under their brand. Essentially, large builders are agglomerates of a large number of small builders and trades who are individually incorporated businesses that collaborate to produce a large number of housing units under the same brand.

What we need is a better definition of the term 'urban'

The other key limitation of urban policy making in Pakistan is how one may define 'urban'. The government uses arbitrary administrative boundaries to define what is urban and what is not. Some researchers have argued that Pakistan is more urban than what the official statistics show.

Dr. Haque quotes research which claims that almost 70 per cent of Pakistan is either urban or urbanising. This is rather exaggerated and it complicates further the task of reforming urban economies.

He quotes unpublished work from South Asia Institute at Harvard University that shows 39.7 percent of Punjab's population to be urban and an additional 33.2 percent urbanising. Almost 40 percent of Sindh's population is estimated to be urban with an additional 19.4 percent urbanising.

The devil, however, is in the detail

The report considers an area 'urban' if it has a gross population density of 500 persons per square kilometre. The other criterion for being urban is a minimum population threshold of 100,000 or more in a single place defined by the Census. The minimum gross population density for an urbanising area is set at 250 persons per sq km. I am concerned that the density thresholds have been set too low. Take Lahore for instance, where the population density in central areas, such as Ravi Town was recorded at 25,000 persons per sq km (based on the 1998 Census). The population density in Cantonment was recorded at 5,800 persons per sq km. Even the sparsely populated Wagha Town reported a population density of 1,100 persons per sq km, which is more than twice the population density thresholds defined earlier.

One needs to acknowledge that what surrounds the haphazardly growing urban areas of Pakistan are not urbanising areas, but Ruralopolises. These areas "underline the fusion of rural economic and social systems with metropolitan spatial organisations. Ruralopolises are the sites of urbanisation through implosion."

Lack of local governance structures

Dr Haque rightly identifies the lack of institutions and governance structures that have contributed to the sorry state of Pakistan's urban centres. It is hard to imagine an urban governance structure in the absence of urban or local governments and stable institutions that could enforce plans and prevent their violations. A stronger constitutional cover is needed to protect the local governments from becoming victims of provincial governments, which have repeatedly and deliberately defeated attempts to evolve democratic governance at the municipal level. This also requires abolishing Cantonment Boards that effectively disenfranchise citizens by denying them the right to run and lead their local governments.

More high-density developments are needed Also, his point about the lack of high-density mixed-use

developments in urban Pakistan is spot on. Where are the tower cranes, he asks. He identifies the blind adherence to the Garden City utopia that led to low-density residential neighbourhoods. As a result of that, urban development policies institutionalised urban sprawl in Pakistan. The low-density development contributed to excessive conversion of fertile agricultural land to low-density residential land uses. If housing were developed at high-density in mid- to high-rise developments, the land conversion would have taken place at a much slower pace. However, urban governance mechanisms have to be improved before any high-density development can be delivered in Pakistan.

Time for Pakistan's powerful to look beyond their own interests

Urban land is the instrument of wealth creation in Pakistan. This fact is not lost on politicians, armed forces personnel, and even members of the judiciary. Every powerful group in Pakistan has laid claims on land all across Pakistan. Housing schemes have been developed for the benefit of the interest groups who have acquired land at highly subsidised rates, developed housing, and flipped properties for astronomical profits.

On the other hand, plumbers, machine operators, restaurant workers and millions like them lack the institutional backing enjoyed by the others to acquire hundreds of hectares for the benefit of their community.

For equitable economic growth in Pakistan, access to state land for planned development has to happen for all, and not just for the privileged few. Every first Friday of the month is the most important day for financial markets in the United States. The government releases the non-farm payroll statistics for the previous month. The number of jobs created in the past month influences the interest rates and the larger economy. The federal government diligently reports the employment statistics every month in the United States. When was the last time such numbers were reported on a regular interval for Pakistan? Has the economy generated or lost jobs during the tenure of a government in Pakistan is a question of prime importance, yet it is seldom raised by the electorate, and hence never answered.

If job creation were a real concern of the government, it would have focused on creating the right environments for urban centres to become engines of economic growth and provide employment to the millions of youth who have come of age in the past few decades. But it is clear that they do not care enough. At the same time, urban centres lack infrastructure for entertainment. Dr. Haque notes that the Defence Housing Authority in Lahore has 26 mosques, one cinema, and a library. It should therefore come as no surprise that the urban youth have embraced religious fanaticism in a place where entertainment is scarce and religious institutions aplenty.

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